

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1351 be amended to read as follows:

1 Page 9, line 15, delete "(a) Before November 1 of" and insert "**An**
2 **assessor or a person who pays property tax in a county may appeal**
3 **to the county property tax assessment board of appeals concerning**
4 **the granting of a property tax exemption to any taxpayer in the**
5 **county. The county property tax assessment board of appeals shall**
6 **hold a public hearing on the appeal and shall make a determination**
7 **on the appeal not more than ninety (90) days after the appeal is**
8 **filed. The county property tax assessment board of appeals may**
9 **also hold a public hearing on a property tax exemption if the**
10 **board, on its own motion, determines that a taxpayer is not entitled**
11 **to the exemption. The county property tax assessment board of**
12 **appeals may revoke a property tax exemption after a hearing held**
13 **under this section. If an exemption is revoked under this section,**
14 **the county property tax assessment board of appeals shall notify**
15 **the county auditor of the revocation."**

16 Page 9, delete lines 16 through 34.

17 Page 10, between lines 1 and 2, begin a new paragraph and insert:

18 "SECTION 8. IC 6-1.1-12-18 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 18. (a) If the
20 assessed value of residential real property described in subsection (d)
21 of this section is increased because it has been rehabilitated, the owner
22 may have deducted from the assessed value of the property an amount
23 not to exceed the lesser of:

24 (1) the total increase in assessed value resulting from the

1 rehabilitation; or

2 (2) nine thousand dollars (\$9,000) per rehabilitated dwelling unit.

3 The owner is entitled to this deduction annually for a five (5) year
4 period.

5 (b) For purposes of this section, the term "rehabilitation" means
6 **significant** repairs, replacements, or improvements **to an existing**
7 **structure** which are intended to increase the livability, utility, safety,
8 or value of the property **and which do not increase the total amount of**
9 **floor space devoted to residential purposes unless the increase in floor**
10 **space is required in order to make the building comply with a local**
11 **housing code or zoning ordinance: under rules adopted by the state**
12 **board of tax commissioners.**

13 (c) For the purposes of this section, the term "owner" or "property
14 owner" includes any person who has the legal obligation, or has
15 otherwise assumed the obligation, to pay the real property taxes on the
16 rehabilitated property.

17 (d) The deduction provided by this section applies only for the
18 rehabilitation of residential real property which is located within this
19 state and which is described in one (1) of the following classifications:

20 (1) a single family dwelling if before rehabilitation the assessed
21 value (excluding any exemptions or deductions) of the
22 improvements does not exceed eighteen thousand dollars
23 (\$18,000);

24 (2) a two (2) family dwelling if before rehabilitation the assessed
25 value (excluding exemptions or deductions) of the improvements
26 does not exceed twenty-four thousand dollars (\$24,000); and

27 (3) a dwelling with more than two (2) family units if before
28 rehabilitation the assessed value (excluding any exemptions or
29 deductions) of the improvements does not exceed nine thousand
30 dollars (\$9,000) per dwelling unit.

31 SECTION 9. IC 6-1.1-12-22 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE MARCH 1, 2001]: Sec. 22. (a) If the
33 assessed value of property is increased because it has been rehabilitated
34 and the owner has paid at least ten thousand dollars (\$10,000) for the
35 rehabilitation, the owner is entitled to have deducted from the assessed
36 value of the property an amount equal to fifty percent (50%) of the
37 increase in assessed value resulting from the rehabilitation. The owner
38 is entitled to this deduction annually for a five (5) year period.
39 However, the maximum deduction which a property owner may receive
40 under this section for a particular year is:

41 (1) sixty thousand dollars (\$60,000) for a single family dwelling
42 unit; or

43 (2) three hundred thousand dollars (\$300,000) for any other type
44 of property.

45 (b) For purposes of this section, the term "property" means a
46 building or structure which was erected at least ~~ten (10)~~ **fifty (50)** years

before the date of application for the deduction provided by this section. The term "property" does not include land.

(c) For purposes of this section the term "rehabilitation" means ~~the remodeling, repair, or betterment of property in any manner or any enlargement or extension of property.~~ However, the enlargement or extension of the enclosed floor area of property shall, for computation of the deduction, be limited within a five (5) year period to a total additional enclosed floor area equal to the size of the enclosed floor area of the property on the date of completion of the first extension or enlargement completed after ~~March 1, 1973.~~ **significant repairs, replacements, or improvements to an existing structure that are intended to increase the livability, utility, safety, or value of the property under rules adopted by the state board of tax commissioners.**

SECTION 10. IC 6-1.1-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. At the time that notice is given to the taxpayer, he shall also be informed in writing of:

- (1) his opportunity for review under this section; and
- (2) the procedures he must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must file a petition with the assessor of the county in which the action is taken:

- (1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or
- (2) May 10 of that year;

whichever is later. The county assessor shall notify the county auditor that the assessment is under appeal.

(c) A change in an assessment made as a result of an appeal filed:

- (1) in the same year that notice of a change in the assessment is given to the taxpayer; and
- (2) after the time prescribed in subsection (b);

becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real estate assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The state board of tax commissioners shall prescribe the form of

the petition for review of an assessment determination by a township assessor. The board shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the board. The form must require the petitioner to specify the following:

(1) The physical characteristics of the property in issue that bear on the assessment determination.

(2) All other facts relevant to the assessment determination.

(3) The reasons why the petitioner believes that the assessment determination by the township assessor is erroneous.

(f) The state board of tax commissioners shall prescribe a form for a response by the township assessor to the petition for review of an assessment determination. The board shall issue instructions for completion of the form. The form must require the township assessor to indicate:

(1) agreement or disagreement with each item indicated on the petition under subsection (e); and

(2) the reasons why the assessor believes that the assessment determination is correct.

(g) Immediately upon receipt of a timely filed petition on the form prescribed under subsection (e), the county assessor shall forward a copy of the petition to the township assessor who made the challenged assessment. The township assessor shall, within thirty (30) days after the receipt of the petition, attempt to hold a preliminary conference with the petitioner and resolve as many issues as possible. Within ten (10) days after the conference, the township assessor shall forward to the county auditor and county assessor a completed response to the petition on the form prescribed under subsection (f). The county assessor shall immediately forward a copy of the response form to the petitioner and the county property tax assessment board of appeals. If the county auditor determines that the appealed items on which there is disagreement constitute at least one percent (1%) of the total gross certified assessed value of the immediately preceding year for any particular unit, the county auditor shall immediately notify the fiscal officer of the unit. If after the conference there are items listed in the petition on which there is disagreement, the property tax assessment board of appeals shall hold a hearing within ninety (90) days of the filing of the petition on those items of disagreement. The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The township assessor or county assessor for the county must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the petitioner's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item within sixty (60) days of the hearing. If the

township assessor does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing.

(h) In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall hold its hearing within one hundred eighty (180) days instead of ninety (90) days in a county having a population of more than four hundred thousand (400,000).

SECTION 11. IC 6-1.1-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:

Sec. 1. Each county shall have a county property tax assessment board of appeals composed of individuals who are at least eighteen (18) years of age and knowledgeable in the valuation of property. **Except for the county assessor, an individual who is an officer or employee of a county or township may not serve on the board of appeals in the county in which the individual is an officer or employee.** The fiscal body of the county shall appoint two (2) individuals to the board. At least one (1) of the members appointed by the county fiscal body must be a certified level two assessor-appraiser, **unless the county assessor is a certified level two assessor-appraiser.** The board of commissioners of the county shall appoint two (2) freehold members so that not more than three (3) of the five (5) members may be of the same political party and so that at least three (3) of the five (5) members are residents of the county. At least one (1) of the members appointed by the board of county commissioners must be a certified level two assessor-appraiser, **unless the county assessor is a certified level two assessor-appraiser.** A person appointed to a property tax assessment board of appeals may **not** serve on the property tax assessment board of appeals of another county at the same time. The members of the board shall elect a president. The employees of the county assessor shall provide administrative support to the property tax assessment board of appeals. The county assessor is a voting member of the property tax assessment board of appeals. **and The county assessor** shall serve as secretary of the board. The secretary shall keep full and accurate minutes of the proceedings of the board. A majority of the board constitutes a quorum for the transaction of business. Any question properly before the board may be decided by the agreement of a majority of the whole board.

SECTION 12. IC 6-1.1-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) The rules promulgated by the state board of tax commissioners are the basis for determining the true tax value of tangible property.

(b) Local assessing officials, members of the county property tax assessment board of appeals, and county assessors shall:

- (1) comply with the rules, appraisal manuals, bulletins, and directives adopted by the state board of tax commissioners;
- (2) use the property tax forms, property tax returns, and notice

forms prescribed by the board; and

(3) collect and record the data required by the board.

(c) In assessing tangible property, the township assessors, members of the county property tax assessment board of appeals, and county assessors may consider factors in addition to those prescribed by the state board of tax commissioners if the use of the additional factors is first approved by the board. Each township assessor, **each member** of the county property tax assessment board of appeals, and the county assessor shall indicate on ~~his~~ **the** records for each individual assessment whether:

(1) only the factors contained in the board's rules, forms, and returns have been considered; or

(2) factors in addition to those contained in the board's rules, forms, and returns have been considered.

SECTION 13. IC 6-1.1-31-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the state board of tax commissioners shall provide for the classification of personal property on the basis of:

(1) date of purchase;

(2) location;

(3) use;

(4) depreciation, obsolescence, and condition; and

(5) any other factor that the board determines by rule is just and proper.

(b) With respect to the assessment of personal property, the rules of the state board of tax commissioners shall include instructions for determining:

(1) the proper classification of personal property;

(2) the effect that location has on the value of personal property;

(3) the cost of reproducing personal property;

(4) the depreciation, including physical deterioration and obsolescence, of personal property; and

(5) the true tax value of personal property based on the factors listed in this subsection and any other factor that the board determines by rule is just and proper.

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the state board of tax commissioners shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) The rules of the state board of tax commissioners must include instructions for determining the starting point for the valuation of used depreciable personal property after a sale or transfer of the property.

~~(d)~~ (e) With respect to the assessment of personal property, true tax value does not mean fair market value. True tax value is the value

determined under rules of the state board of tax commissioners.

SECTION 14. IC 36-2-15-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001]: **Sec. 7. In each county, the county assessor or an employee of the county assessor must be a certified level 2 Indiana assessor-appraiser.**

SECTION 15. IC 36-2-15-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 8. (a) A county assessor who becomes a certified level 2 Indiana assessor-appraiser is entitled to a salary increase of one thousand dollars (\$1,000) after the assessor's certification under IC 6-1.1-35.5.**

(b) A person who is a certified level 2 Indiana assessor-appraiser who replaces a county assessor who is not so certified is entitled to a salary of one thousand dollars (\$1,000) more than the salary of the person's predecessor.

(c) An employee of a county assessor who becomes a certified level 2 Indiana assessor-appraiser is entitled to a salary increase of five hundred dollars (\$500) after the employee's certification under IC 6-1.1-35.5.

(d) A salary increase under this section comprises a part of the county assessor's or employee's base salary for as long as the person serves in that position and maintains the level 2 certification.

SECTION 16. IC 36-6-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2000]: **Sec. 6. (a) A township assessor who becomes a certified level 2 Indiana assessor-appraiser is entitled to a salary increase of one thousand dollars (\$1,000) after his the assessor's certification under IC 6-1.1-35.5.**

(b) A certified level 2 Indiana assessor-appraiser who replaces a township assessor who is not so certified is entitled to a salary of one thousand dollars (\$1,000) more than his predecessor's the salary of the person's predecessor.

(c) An employee of a township assessor who becomes a certified level 2 Indiana assessor-appraiser is entitled to a salary increase of five hundred dollars (\$500) after the employee's certification under IC 6-1.1-35.5.

(d) A salary increase under this section comprises a part of the township assessor's or employee's base salary for as long as he the person serves in that position and maintains the level 2 certification.

SECTION 17. P.L.63-1993, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **SECTION 2. (a) Notwithstanding IC 5-14-3, a sales disclosure form under IC 6-1.1-5.5, as added by this act, is not a public record and may only be used by the state board of tax commissioners or persons acting on behalf of the state board of tax commissioners for the purpose of performing a study**

under SECTION 3 of this act. Information contained on the form may not be used in a:

- (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;
- (2) petition for a correction of error under IC 6-1.1-15-12; or
- (3) petition for refund under IC 6-1.1-26.

(b) Notwithstanding IC 6-1.1-5.5-8, as added by this act, the county recorder shall maintain a sales disclosure form filed under IC 6-1.1-5.5-3 until the state board of tax commissioners issues permission to destroy the form.

(c) This SECTION expires December 31, ~~1999~~ **2002**.

SECTION 18. P.L.63-1993, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999 (RETROACTIVE)]:
SECTION 3. (a) The state board of tax commissioners shall conduct a study to determine the impact of converting the current property tax assessment system to a system based on fair market value. The board shall determine the fiscal, legal, and administrative impact on state and local government, and the fiscal impact on the owners of the various classifications of property in Indiana. A fair market value system is a system that analyzes sales of comparable properties, income information, and reproduction cost to arrive at the proper valuation of property for property tax assessment purposes.

(b) The board shall report the design of the study to the general assembly on or before December 1, 1993.

(c) The board shall collect data from a sufficient sampling of various classifications of property throughout Indiana. County officials shall cooperate in the study by furnishing data as required by the board.

(d) The board shall study the assessing systems, including methodology, structure, and procedure, in other states that use a property tax assessment system based on fair market value.

(e) The board shall perform the study and report the results and the board's recommendations for implementation of a property tax system based on fair market value to the general assembly on or before December 1, 1996.

(f) The report and data collected in the study may not be used in a:

- (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;
- (2) petition for a correction of error under IC 6-1.1-15-12; or
- (3) petition for refund under IC 6-1.1-26.

(g) This SECTION expires December 31, ~~1999~~ **2002**.

- 1 **SECTION 19. An emergency is declared for this act."**
- 2 Renumber all SECTIONS consecutively.
 (Reference is to HB 1351 as printed January 21, 2000.)

Representative Klinker